Special Projects have been received from the State of Madhya Pradesh, out of which, 3 projects have been sanctioned/approved so far, 20 project proposals have been returned to the concerned State Governments or other sponsoring agencies for various reasons such as non compliance with the guidelines of SGSY special projects, non viability of projects, lack of focus on Below Poverty Line beneficiaries etc. and 15 project proposals are with the Government. Since appraisal and approval/clearance of proposals is a continuous process and depends on various factors like their fulfilling the prescribed guidelines, economic viability of the proposals, BPL focus of projects, etc., no time frame can indicated for final clearance of such project proposals. Four proposals for organization of SARAS fair at Bhopal were received for which an amount of Rs. 73.45 lacs. has been released.

Rs. 40 lacs have also been released to four districts *i.e.* Datia, Rewa, Bhopal and Jabalpur for setting up Rural Self Employment Training Institutes (RSETIs) in hired premises.

Credit issues under SGSY

2142. SHRI T.K. RANGARAJAN: Will the Minister of RURAL DEVELOPMENT be pleased to state:

(a) whether his Ministry had set up a committee on credit related issues under the Swarnajayanti Gram Swarojgar Yojana (SGSY);

(b) if so, the details thereof;

(c) the terms of reference given to the committee;

(d) whether the committee has since submitted its report; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF RURAL DEVELOPMENT (SHRI PRADEEP JAIN): (a) to (b) Yes Sir. Ministry of Rural Development had set up a committee on "Credit related issues under Swaranjayanti Gram Swarojgar Yojana (SGSY)" under the Chairmanship of Prof. R. Radhakrishna to examine the constraints in the adequate flow of credit to Self Help Groups of SGSY and to suggest measures and strategy for effective credit linkages to the Self Help Groups.

(c) the Terms of Reference for the Committee are as follows:-

1. To review the status of credit flow to members of SHGs/individual beneficiaries under SGSY since inception *i.e.* 1.4.1999;

2. To examine the policy environment and guidelines governing the credit under SGSY;

3. To analyse ambiguities, constraints and causes for inadequate flow of credit;

4. To analyse innovative experiments emanating both from public institutions as well as Non-Governmental Organisation for enhancing the flow of credit;

5. To suggest measures for enhancing the flow of credit and recovery;

6. To examine the merits and demerits of capital subsidy and back-ended subsidy including the issue of provision of interest subsidy in place of capital subsidy;

7. To suggest ways and means for training, sensitization, incentives and disincentives for bank officials;

(d) and (e) Yes Sir, the Committee has submitted its report in February, 2009. The details of the major recommendations of the report of the committee is enclosed in the Statement.

Statement

The main recommendations of Prof R. Radhakrishna' Committee

1. **Need for Institutional Architecture.**

   (i) Creation of a national agency, namely, National Rural Livelihood Mission (NRLM) with the creation of Rural Livelihood Fund having an initial corpus of Rs.1000 crore.

   (ii) Creation of State level Agency or Umbrella Organization.

   (iii) Creation of separate dedicated unit for managing all the processes under SGSY at District Rural Development Agency (DRDA) level.

   (iv) Federal Structure of Self Help Groups (SHGs) from Village level to National level.

2. **Pro-Poor Financial Services.**

   (i) Increasing the branch network in un-banked areas.

   (ii) Ensuring that the interest rates charged for SGSY is not more than Prim Lending Rate (PLR).

   (iii) Risk Mitigation through universal coverage of all the poor households for life and asset insurance and adequate resource provision by Ministry of Rural Development.

3. **Capital and Interest Subsidy.**

   (i) Continuation and Enhancement of amount of Revolving Fund and Capital Subsidy.

   (ii) Pilfer proof delivery of subsidy by linking subsidy with repayments of loans.

   (iii) Provision of interest subsidy.

4. **Skill Development for Placement.**

   (i) Making skill development and placement as subset of SGSY.

5. **Increasing Financial Allocation for SGSY from the present level.**

PMGSY in Kerala

2143. PROF. P.J. KURIEN: Will the Minister of RURAL DEVELOPMENT be pleased to state: